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FOR IMMEDIATE RELEASE

**AEP, GE ENERGY WILL PURSUE DEVELOPMENT, INTEGRATION, DEPLOYMENT
OF ENHANCED ENERGY DELIVERY, ADVANCED METERING TECHNOLOGIES**

***AEP seeks sites for initial deployment to 200,000 customers, goal of 5 million by 2015;
technologies improve overall efficiency, enable customers to control electricity costs***

COLUMBUS, Ohio, Oct. 4, 2007 – American Electric Power (NYSE: AEP) and GE Energy, a business unit of General Electric (NYSE: GE), will pursue the development, integration and deployment of advanced energy delivery infrastructure and metering technologies in an agreement that will enhance the consumer's ability to control and reduce electricity costs as well as improve the overall efficiency of electricity use.

The companies have signed a memorandum of understanding and are continuing discussions to reach a definitive agreement to develop technology platforms and programs that will transform how electricity is delivered to – and used by – consumers.

The AEP-GE initiative “is the first in the industry to address the full energy pathway from the power plant to the home,” said Michael G. Morris, AEP's chairman, president and chief executive officer.

AEP will deploy advanced metering (often referred to as smart meters) and the enhanced infrastructure technology resulting from the partnership with GE in two regions – representing approximately 200,000 customers – by the end of 2008, if necessary regulatory approvals are received. The advanced metering, combined with special rate plans, will allow customers to better understand their energy consumption and, by utilizing signals indicating time-of-day prices, reduce their electricity costs. AEP will select specific locations for this initial deployment after evaluating potential sites in its 11-state service area. Primary selection criteria will be urban/suburban areas with 50,000 to 100,000 customers.

AEP plans to have the advanced metering and enhanced infrastructure technologies in use to serve a million of its customers by the end of the decade and in use to serve its entire customer base of more than 5 million by the end 2015, pending appropriate regulatory approvals in the

states where AEP operates. Customers in areas where the technologies are deployed will have direct control over their electricity usage, and delivery of electricity to the consumer will be more efficient. The metering and infrastructure technologies each can reduce electricity demand.

“Many in our sector are moving toward deployment of smart meters, but our strategy goes far beyond that,” Morris said. “We’re working with GE, a world leader in electronics and infrastructure, to integrate the smart meters necessary to provide options for our customers with enhancements to the distribution and transmission backbone necessary for our utilities to benefit. We’re addressing the full energy pathway from the power plant to the home.

“By integrating the customer device – a smart meter – with behind-the-scenes technology to improve efficiency and control of the flow of electricity, we can reduce both customer demand and energy wasted as heat from equipment that delivers the electricity,” Morris said. “This increased efficiency by customers and by our own grid translates to a reduction both in fuel used and greenhouse gas emissions released by our power plants. It also helps delay the need for new generation to keep up with the growth in demand.

“We see this agreement with GE as being a winner for our customers, our company and for the environment,” Morris said.

AEP and GE each have been in business for more than a century and have a long-standing customer-supplier relationship.

“GE was built on innovation,” said John Krenicki, Jr., president and chief executive officer of GE Energy. “We have a long history of developing technologies that enable our customers to improve and advance. AEP has a long history of engineering excellence, often driving the development of technology to improve the generation and delivery of electricity. Our two companies bring a tremendous amount of expertise to this initiative.

“From GE’s perspective, this agreement with AEP goes well beyond customer-supplier,” Krenicki said. “We will be working together on the development, integration and deployment of the technologies. And GE will join with AEP in the effort to educate regulators and customers on the benefits and longer-term potential of the technologies.”

AEP and GE plan to deploy advanced metering for use by customers, supported by enhancements to technologies on the energy delivery infrastructure. Expected enhancements include:

- automating controls on electrical equipment;
- integration of existing decentralized distribution automation monitoring systems and supervisory control and data acquisition (SCADA) systems that collect data from sensors on remote equipment for use by central control systems;

- and implementation of GE's portfolio of software to integrate, visualize and provide analytics for monitoring and operating transmission and distribution assets, as well as to provide direct control of distributed resources.

Once the enhanced infrastructure and advanced meters are in place, the combined systems will:

- enable customers to respond to price signals that vary with time, providing customers with the opportunity to make decisions on energy use that can reduce their costs and reduce or avoid greenhouse gas emissions from power generation; for example, a potential innovation from the AEP-GE initiative could include developing an energy wall display unit with real-time consumption feedback which could provide consumers with information at their fingertips to decide how to use energy in the most cost effective way.
- reduce the size and duration of outages by detecting the cause and specific location of the problem, isolating that area and automatically restoring as many customers as possible before the first service crew arrives; this allows service crews to focus on repairs as soon as they arrive;
- enable the integration of distributed energy resources such as generators and batteries owned by the utility or the customer into grid operations; these resources can provide energy capacity when needed to restore – or potentially island – critical loads during outage conditions;
- better enable new technologies such as plug-in hybrid vehicles, fuel cells, and smart appliances to be brought to market by allowing utility system operators to see the impact of the devices, adjust the system performance to better accommodate the devices and accurately credit customers for demand-side management actions;
- improve operational efficiencies of utility activities by shifting time currently spent on inspections to focus more on repairs that have been identified through new monitoring capabilities; and
- improve safety by reducing exposure of meter operations personnel to field hazards, allowing remote isolation of situations that could be hazardous to the public before a service crew can respond, and providing remote confirmation that switching operations have been accomplished safely.

“We understand what our customers want, we know what’s needed to fully meet those expectations and we have the engineering expertise to make it work,” Morris said. “GE has a wide

array of technologies and applications in hand that can be integrated to meet many of these needs, and the know-how to develop products that can meet any remaining needs.

“This is an exciting opportunity,” Morris said, “one that could help to define how electric utilities function in the coming decades.”

AEP is involved in a number of other activities to increase the efficiency and capability of energy delivery systems and integrate distributed energy resources.

In September, AEP announced that it would add six megawatts of stationary sodium sulfur (NAS[®]) battery technology in its West Virginia and Ohio service territories next year, a step toward the company’s goal of 1,000 megawatts of advanced storage technology in the next decade.

In 2006, AEP signed an agreement with the Consortium for Electric Reliability Technology Solutions (CERTS) at Lawrence Berkeley National Laboratory to research, test and evaluate distributed energy resources and the integration of these resources into the nation’s electricity grid. Distributed energy resources offer the capability for communities, commercial developments or industrial sites to use small, localized electricity generation units or energy storage units to enhance existing energy delivery systems.

And AEP, in partnership with Rolls-Royce, is testing and evaluating prototype fuel cell systems at AEP’s Dolan Technology Center and Walnut Test Facility located near Columbus.

GE Energy (www.ge.com/energy) is one of the world’s leading suppliers of power generation and energy delivery technologies, with 2006 revenue of \$19 billion. Based in Atlanta, Georgia, GE Energy works in all areas of the energy industry including coal, oil, natural gas and nuclear energy; renewable resources such as water, wind, solar and biogas; and other alternative fuels. Numerous GE Energy products are certified under ecomagination, GE’s corporate-wide initiative to aggressively bring to market new technologies that will help customers meet pressing environmental challenges.

American Electric Power is one of the largest electric utilities in the United States, delivering electricity to more than 5 million customers in 11 states. AEP ranks among the nation’s largest generators of electricity, owning more than 38,000 megawatts of generating capacity in the U.S. AEP also owns the nation’s largest electricity transmission system, a nearly 39,000-mile network that includes more 765 kilovolt extra-high voltage transmission lines than all other U.S. transmission systems combined. AEP’s transmission system directly or indirectly serves about 10 percent of the electricity demand in the Eastern Interconnection, the interconnected transmission system that covers 38 eastern and central U.S. states and eastern Canada, and approximately 11 percent of the electricity demand in ERCOT, the transmission system that covers much of Texas. AEP’s utility units operate as AEP Ohio, AEP Texas, Appalachian Power (in Virginia and West Virginia), AEP Appalachian Power (in Tennessee), Indiana Michigan Power, Kentucky Power,

Public Service Company of Oklahoma, and Southwestern Electric Power Company (in Arkansas, Louisiana and east Texas). AEP's headquarters are in Columbus, Ohio.

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